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7
8 **IN THE UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 WESTERN SURETY COMPANY,

11 Plaintiff,

12 v.

13 S3H, INC.; a Nevada corporation; VATCHE
SARKOYAN, an individual; ARLENE
14 SARKOYAN, an individual; DOE INDIVIDUALS
1 THROUGH 10; ROE BUSINESS ENTITIES 11
THROUGH 20;

15 Defendants.

Case No.: 2:14-cv-02056-JCM-PAL

**STIPULATION AND ORDER TO
EXTEND DEPOSITION DEADLINES
ESTABLISHED BY COURT ORDER
(Dkt #27)**

16 Plaintiff Western Surety Company (Western) and Defendants S3H, Inc., Vatche Sarkoyan, and
17 Arlene Sarkoyan, by and through their respective counsel, hereby stipulate to brief extension of the
18 deposition deadline as established by order (Dkt. #27).

19 **I. RELEVANT BACKGROUND**

20 **A. Factual Background**

21 In February 2012, S3H entered into a construction subcontract with Hoffman Construction
22 Company of Oregon (Hoffman) for a project owned by Intel Corporation in Oregon (the "Project").
23 Western posted performance and payment bonds (the "Bonds") on behalf of S3H, with S3H as
24 principal, in relation to the Project.

1 In consideration of the issuance of the Bonds by Western, the Defendants entered into a
2 General Agreement of Indemnity (the "Indemnity Agreement") wherein they each agreed, jointly and
3 severally, to indemnify Western from and against every claim, demand, liability, cost, charge, suit,
4 judgment and expense which the Western may pay or incur in consequence of having executed, or
5 procured the execution of such bonds.

6 In 2012, S3H and Western became involved in a dispute involving multi-million dollar claims
7 with Hoffman in Oregon. On February 28, 2014, S3H, Western, and Hoffman entered into an
8 Amended Arbitration Panel Agreement (the "AAPA"). The claims between Hoffman and S3H and
9 Western were resolved in S3H's favor through the subsequent arbitration process.

10 Western commenced this action seeking reimbursement under the Indemnity Agreement for
11 the expenses incurred in the Oregon arbitration. The Defendants contend that the Indemnity
12 Agreement is unenforceable based on the terms of the AAPA and that the terms of the AAPA should
13 be enforced by this court.

14 **B. Procedural History**

15 At the outset of this case, the Parties agreed that the interpretation of the AAPA would be a key
16 and narrow issue in resolving this case. Thus, the parties informally gathered information and engaged
17 in informal settlement discussions. Through these dealings, the parties determined that it would be
18 beneficial to hold a formal settlement conference. Therefore, on July 8, 2015, the parties submitted a
19 stipulation or order for a settlement conference (Dkt. 21), which was granted. (Dkt. 25, schedule
20 modified by Dkt. 27).

21 The parties also stipulated to stay discovery pending the settlement conference. (Dkt. 22). AT
22 the hearing on this stipulation, the parties represented that the discovery needed for the narrow issue of
23 the scope and interpretation of the AAPA would be minimal, but that if the settlement was
24 unsuccessful, the parties would need additional discovery on the issues of the amounts claimed and the

1 affirmative defenses. This stipulation to stay was denied and the court ordered the parties to complete
2 written discovery and depositions prior to the settlement conference and extended the expert disclosure
3 deadline. (Dkt. 27).

4 In completing the written discovery, the volume of documents produced has been tremendous.
5 The Defendants have produced nearly 1 terabyte of documents which is estimated to be approximately
6 350,000 pages of documents. Likewise, Western's production has involved a substantial amount of
7 documents. Many of these documents relate to the underlying arbitrated dispute between Hoffman and
8 S3H and Western. Given the narrow issues in this case, counsel did not anticipate the discovery to
9 include the scope of documents produced. In fact, the parties are still in the process of supplementing
10 discovery responses based on the significant volume of documents.

11 **II. INFORMATION REQUIRED BY LR 26-4**

12 **A. Discovery Completed.**

13 Western served written discovery requests, including interrogatories, requests for documents,
14 and requests for admissions to each of the Defendants. The Defendants submitted their responses.
15 However, due to the volume of documents, the Defendants are still in the process of supplementing
16 their responses.

17 S3H also served written discovery on Western, including interrogatories, requests for
18 documents, and requests for admissions. Western has submitted its responses. However, like the
19 Defendants, Western is still in the process of supplementing its responses.

20 **B. Discovery Remaining.**

21 In addition to the supplemental responses referenced above, the parties are still in the process
22 of finalizing the deposition schedule.

23 S3H intends to take the deposition of Kurt Kraemer and Mark McKibbin tentatively scheduled
24 to take place on October 5, 2015 in Oregon.

Western intends to take the depositions of Vatche Sarkoyan, Charles Bennion, and Eric Hone tentatively scheduled to take place on October 12, 2015 in Las Vegas.

C. Reasons why discovery is not completed.

Counsel has spent more time than anticipated on written discovery requests and document management. In the meantime, the parties have been attempting to coordinate the schedules for multiple individuals for the depositions. Despite good-faith efforts, it appears unlikely that the depositions will be able to be completed by October 4, 2015 and a short extension is required.

D. Proposed Schedule.

The parties propose that the deposition deadline be moved from October 4, 2015 to **October 14, 2015**. This will still allow for the deposition to be completed prior to the settlement conference (October 23, 2015) and prior to the settlement conference statements being due (October 16, 2015).

DATED this 24th day of September, 2015.

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DATED this 24th day of September, 2015.

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ORDER

IT IS SO ORDERED:


UNITED STATES MAGISTRATE JUDGE

DATED: October 9, 2015